




**December 2, 2019**

**To:** Regional Planning and Highways Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Draft 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy

### **Overview**

Every four years, the Southern California Association of Governments prepares a long-range regional transportation plan for the six-county region under its jurisdiction. Staff has completed a preliminary review of the draft 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, the associated program environmental impact report, and prepared draft comments for discussion.

### **Recommendation**

Direct staff to prepare and submit comments on the draft 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, and the associated program environmental impact report prior to the January 24, 2020, comment deadline.

### **Background**

As the federally designated metropolitan planning organization for the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura, the Southern California Association of Governments (SCAG) must adopt a Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) every four years, per state and federal laws. The draft 2020-2045 RTP/SCS includes planned transportation projects and demographic assumptions through the year 2045. This provides a long-term strategy for investments in the region's transportation system, at a projected total cost of \$638.6 billion (in year-of-expenditure dollars [YOE\$]). The RTP also includes demographic assumptions and an SCS element for the six-county SCAG region.

All regionally significant transportation projects must be included in the federally- approved RTP/SCS in order to advance through the project delivery process. The RTP/SCS must also demonstrate conformity with federal air quality standards, using funding sources that are identified as reasonably available through 2045. This requires that transportation activities resulting from the RTP/SCS must not cause new or worsen existing air quality violations and/or delay timely implementation of transportation control measure strategies that reduce mobile source emissions.

In addition, SB 375 (Chapter 728, Statutes of 2008) requires that the RTP/SCS demonstrate a reduction in greenhouse gas (GHG) emissions from cars and light duty trucks from 2005 per capita levels. The GHG reduction targets, currently assigned to the SCAG region by the California Air Resources Board (CARB), are eight percent per capita by 2020, and 19 percent per capita by 2035. Compared to the 2016 2040 RTP/SCS, the 2020 target is unchanged, but CARB raised the 2035 target by more than 45 percent (from 13 percent per capita).

Many of the issues commented on by the Orange County Transportation Authority (OCTA) in the 2016 2040 RTP/SCS are still prevalent in the 2020-2045 RTP/SCS, with some modifications and refinements over the past four years. These issues include ensuring that the RTP is consistent with OCTA's 2018 Long-Range Transportation Plan (LRTP), regional strategies assumed to demonstrate air quality conformity, assumed new revenue sources, passenger rail assumptions, SCAG's regional express lane concept, and other investments beyond the 2018 LRTP. These issues are further discussed below.

### ***Discussion***

Staff has completed a preliminary review of the draft 2020-2045 RTP/SCS to confirm consistency with OCTA's plans and policies, as well as to verify that the assumptions included are reasonable. The sections below discuss the key policy issues identified, and draft comments for consideration. At the Board of Directors' (Board) discretion, staff is prepared to submit a comment letter requesting that SCAG address the issues to ensure that the RTP/SCS is consistent with OCTA goals, and that it meets federal conformity.

#### **LRTP Consistency**

The draft 2020-2045 RTP/SCS is generally consistent with the 2018 LRTP in that it reflects the plans and projects identified in the LRTP for implementation.

This includes the Measure M programs for freeways, transit, and roadway capital and operational improvements, such as the signal synchronization program. A few discrepancies were identified in the draft 2020-2045 RTP/SCS with OCTA project data, consisting of only minor data input and typographic edits. Staff is currently working with SCAG to make the necessary corrections. Additionally, the latest planning and programming data is being provided to SCAG to ensure the RTP/SCS best reflects the current status of projects.

Regarding land use assumptions made by SCAG through the development of the SCS element, OCTA will defer to the findings of the review currently being performed by the Orange County Council of Governments (OCCOG). As a member of OCCOG, OCTA participates in the review process, and any comments submitted by OCTA regarding land use will be consistent with OCCOG. However, based on initial review, the financially constrained alternative in the draft 2020-2045 RTP/SCS appears to be consistent with the land use data reviewed and consented to by OCCOG and Orange County's local jurisdictions.

#### Conformity and Regional Strategies

The draft 2020-2045 RTP/SCS demonstrates that, between the 2016 model base year and the 2045 model horizon year, the region can successfully accommodate an additional 3.7 million residents and 1.6 million jobs, while meeting the federal requirements for both air quality and financial constraint. Furthermore, SCAG's analysis demonstrates that the draft 2020-2045 RTP/SCS meets the GHG reduction targets established by CARB, with reductions of eight percent per capita for 2020, and 19 percent per capita for 2035. These conformity findings are critical for projects to be eligible for state and federal funding and progress through project development processes. Final conformity determinations are made by the Federal Highway Administration and CARB after the final 2020-2045 RTP/SCS is submitted for approval in April 2020.

The 2020-2045 RTP/SCS achieves the GHG emission reduction targets through a combination of regional strategies that SCAG assumes above and beyond the transportation and land use plans and programs submitted by the County Transportation Commissions (CTCs) and local jurisdictions. While regional strategies are necessary to meet state and federal requirements, implementing agencies in the SCAG region are not required to carry out the regional strategies.

The GHG emission reductions from the regional strategies were estimated using the regional transportation demand model and off-model analysis tools.

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Strategies assumed in the regional travel demand model account for GHG emission reductions of approximately 13 percent per capita (68 percent of the 2035 target). These regional strategies assumed by SCAG include:

- Conversion of select carpool lanes to tolled express lanes,
- Mileage-based user fee,
- Local pricing strategies (per mile charge and parking pricing at major activity centers),
- Congestion pricing (assumed only in Los Angeles County),
- Significant increases in passenger rail service,
- Infill development and increased density near transit infrastructure,
- Land use strategies,
- New/enhanced transit projects,
- Improved bike infrastructure, and
- Transportation demand management.

Several other regional strategies assumed by SCAG were analyzed using off-model tools. These strategies are estimated to reduce GHG emissions by approximately six percent per capita (32 percent of the 2035 target). These regional strategies assumed by SCAG include:

- Deregulation of parking requirements in certain priority growth areas,
- Increased average vehicle occupancy assumptions in job centers,
- Co-working at strategic locations,
- Increased electric vehicle charging infrastructure,
- Electric vehicle incentives,
- Improved pedestrian infrastructure,
- Multimodal dedicated lanes (e.g., bus-only lanes),
- Car share,
- Bike share and micromobility,
- Safe routes to school,
- Transit/transportation network companies (TNCs) partnership program,
- Telemedicine, and
- Online shopping/e-commerce.

In the following sections, some of the higher profile regional strategies noted above are discussed in more detail below. Draft comments are then recommended as needed for Board consideration.

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Anticipated and Innovative Revenue Sources

The draft 2020-2045 RTP/SCS estimates the cost for capital improvements at \$287.0 billion (YOE\$). This includes projects submitted by the CTCs, as well as capital costs from regional strategies developed by SCAG. Again, while regional strategies go beyond the projects submitted by the CTCs, they help to ensure conformity with federal standards and state GHG requirements. It is also important to reiterate that inclusion of regional strategies in the RTP/SCS does not commit implementing agencies to carrying them out.

Operations and maintenance costs for the transportation system over the 25-year planning horizon are estimated at \$316 billion (YOE\$), with another \$35.6 billion (YOE\$) projected for debt service. SCAG's goal is to obtain and maintain a state of good repair throughout the transportation system. This requires a significant investment, which must also respond to inflation (assumed at 2.2 percent) and increasing construction costs (assumed at 4.5 percent) over the next 25 years.

SCAG has indicated that without the use of anticipated revenue sources and innovative financing strategies, the region faces a funding shortfall of approximately \$139.4 billion (YOE\$). Compared to the 2016 2040 RTP/SCS, the funding shortfall shrank from \$200.4 billion (YOE\$), primarily due to passage of SB 1 (Chapter 5, Statutes of 2017). Consistent with the 2016 2040 RTP/SCS, SCAG established the following guiding principles in the draft 2020-2045 RTP/SCS to identify reasonably available funding sources to address the shortfall:

- Establish a user fee-based system that better reflects the true cost of transportation, provides firewall protection for transportation funds, and ensures an equitable distribution of costs and benefits.
- Promote national and state programs that include return-to-source guarantees, while maintaining flexibility to reward regions that continue to commit substantial local resources.
- Leverage locally available funding with innovative financing tools (e.g., tax credits and expansion of the Transportation Infrastructure Finance and Innovation Act) to attract private capital and accelerate project delivery.
- Promote local funding strategies that maximize the value of public assets while improving mobility, sustainability, and resilience.

Utilizing these principles, the draft 2020-2045 RTP/SCS identifies seven anticipated revenue sources and innovative funding strategies projected to generate \$139.4 billion (YOE\$). The revenue sources, relevant assumptions,

and projected amounts (in billions of YOE\$) for each of these sources are summarized in Attachment A.

The TNCs mileage-based user fee and local road charge program are new as compared to the 2016-2040 RTP/SCS; however, these two sources, in combination with the mileage-based user fee as included in the draft 2020-2045 RTP/SCS, equate to roughly the same total revenue as the mileage-based user fee assumed in the prior plan (i.e., roughly \$125 billion [YOE\$]). Additionally, the net user cost of approximately four cents (in constant dollars) per mile is consistent across the two plans. For the 2020-2045 RTP/SCS, the division of the 2016-2040 RTP/SCS mileage-based user fee into a three separate funding sources reflects updated guidance from CARB. The inclusion of these sources not only serves as a long-term replacement for the current fuel tax mechanism, but also as key components in demonstrating conformity with federal air quality and state GHG requirements.

The other four anticipated and innovative revenue sources assumed by SCAG include a federal gas tax increase of ten cents, use of value capture strategies, federal credit assistance and bond proceeds, and private equity participation. These sources were also assumed in the 2016-2040 RTP/SCS. Noteworthy changes to the assumptions include additional use of enhanced infrastructure financing districts and tax increment financing, reduced revenues from federal credit assistance and bond proceeds previously assumed for the California High-Speed Rail (CHSR) Project, and an increase in private equity participation related to the Virgin Trains USA Project for high-speed rail service from the City of Victorville to the City of Las Vegas.

**Draft Comment #1**

SCAG staff should provide regular updates to its Transportation Committee and Regional Council regarding the key implementation factors of new transportation user fees, including but not limited to:

- Technology and associated privacy issues,
- Cost of implementation and administrative methods for fee collection/revenue allocation,
- Equity concerns and exemptions/credits, as applicable,
- Rate structures and associated impacts including evaluation of flat rates, differential pricing by type of vehicle including size and weight, time-of-day, and potentially emissions, including GHG emissions, and
- Economic assessment.

SCAG staff should also evaluate the impacts of the new transportation user fees on existing local transportation funding mechanisms, including local option sales tax measures, express lanes and toll facilities, and consider how best to integrate the various transportation funding mechanisms. Additionally, any new user fees should include return-to-source criteria to ensure equitable distribution of funds.

#### Passenger Rail Assumptions

The draft 2020-2045 RTP/SCS also assumes the Metrolink Southern California Optimized Rail Expansion (SCORE) Program capital components are completed by 2035 at a cost of \$10.5 billion (YOES). The SCORE Program would accommodate a significant increase in Metrolink service with up to 15-minute peak-period service on much of the Metrolink system. Capital components include additional track, improved sidings, expanded and lower emission fleet, upgraded and enlarged maintenance facilities, grade crossing treatments and separations, fencing and safety improvements, and features to support readiness for quiet zones. The draft 2020-2045 RTP/SCS assumes SCORE Program operating costs between 2035 and 2045 of \$3.2 billion (YOES), funded by new revenue sources and innovative funding strategies.

The draft 2020-2045 RTP/SCS includes phase one of the CHSR Project at a regional cost of \$34.6 billion (YOES). The CHSR 2018 Business Plan redefined the initial operating segment from between the City of Merced (in the San Joaquin Valley) and the Burbank Bob Hope Airport station to between the cities of Merced and Bakersfield, with revenue service starting in late 2028. Phase one, which would span from the City of San Francisco to the City of Anaheim, is anticipated to start revenue service in 2033.

#### Draft Comment #2

SCAG staff should provide regular updates to its Transportation Committee and Regional Council regarding both the CHSR Project and the Metrolink SCORE Program. Additionally, SCAG staff should assist Metrolink and the CTCs in detailing implementation steps for the SCORE Program, including securing new revenue sources to support operations at the levels assumed in the plan.

#### Regional Express Lane Network

The draft 2020-2045 RTP/SCS generally carries over the proposed regional express lane network included in the 2016-2040 RTP/SCS. This network would increase vehicle occupancy requirements to three-plus persons per vehicle on

select existing and planned high-occupancy vehicle (HOV) lanes throughout the region. Pricing for single-occupancy and dual-occupancy vehicles will then be used to increase the throughput of the corridor. The 2020-2045 RTP/SCS proposed regional express lane network segments would add the following Orange County express lane segments:

Facility	From	To
Interstate 405 (I-405)	State Route 55 (SR-55)	Los Angeles County line
State Route 73 (SR-73)	MacArthur Boulevard	I-405
SR-55	I-405	State Route 91 (SR-91)
Interstate 605 (I-605)	I-405	Los Angeles County line

The 2020-2045 RTP/SCS proposed regional express lane network also identifies express lane connectors in Orange County at the following interchanges: I-405/I-605, I-405/SR-73, I-405/SR-55, SR-55/I 5, and SR-55/SR-91.

#### Draft Comment #3

The 2020-2045 RTP/SCS should recognize that the OCTA Board has not approved conversion from HOV to tolled express lane for SR-55, SR-73, I-605, or north of I-605 on I-405 as depicted in the proposed regional express lanes network. Furthermore, the 2020-2045 RTP/SCS should clearly recognize that the proposed regional express lane network is subject to further study to evaluate right-of-way impacts, community issues, and overall feasibility.

#### Other Investments Beyond the 2018 LRTP

In addition to the Metrolink SCORE Program, there are other investment strategies being proposed within the draft 2020-2045 RTP/SCS that exceed investments assumed in the 2018 LRTP. For example, the draft 2020-2045 RTP/SCS proposes:

- \$6 billion (YOES) to expand bus service in high-quality transit corridors,
- \$2 billion (YOES) for a plug-in electric vehicle rebate program,
- \$5 billion (YOES) for safety initiatives,
- \$2 billion (YOES) in a mobility equity fund,
- \$3 billion (YOES) for housing-supportive infrastructure, and
- \$2 billion (YOES) for pooled incentives.



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SCAG states that these investments are being funded with new revenue sources and innovative financing strategies.

An additional emphasis is also placed on active transportation improvements, with the draft 2020-2045 RTP/SCS proposing to invest \$22.5 billion (YOES). About \$3.7 billion (YOES) of the total investment reflects active transportation projects submitted by CTCs. SCAG proposes investing another \$14 billion (YOES) from the draft 2020-2045 RTP/SCS new revenue sources and innovative financing strategies. SCAG then estimates that the remaining \$4.8 billion (YOES) would be invested in active transportation components of roadway operations and maintenance efforts.

#### Draft Comment #4

The 2020-2045 RTP/SCS should clearly state that the regional strategies suggest improvements beyond the projects submitted by OCTA, and that the implementation of the strategies is subject to availability of new revenue sources and the necessary project development and review processes by the implementing agencies.

#### Next Steps

The public review period for the draft 2020-2045 RTP/SCS and the associated program environmental impact report is scheduled to conclude on January 24, 2020. In March 2020, SCAG staff will report back to SCAG policy committees and the Regional Council on comments, responses, and final adjustments to draft the 2020-2045 RTP/SCS and the Program Environmental Impact Report. The final draft will then be prepared and presented to the SCAG policy committees in March 2020, and to the Regional Council for adoption on April 2, 2020.

During the public review period, SCAG will conduct RTP/SCS elected official briefings in Orange County. The first briefing is scheduled for the Orange County Council of Governments' meeting on Thursday, November 21, 2019. The next two Orange County briefings will be held at OCTA, both concurrent with and immediately following the December 9 Board meeting. A fourth Orange County briefing has been scheduled for January 21, 2020, at the Laguna Niguel City Hall.

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***Summary***

The draft 2016-2040 RTP/SCS was released by SCAG for public review on November 7, 2019. Staff has completed a preliminary review of the document and found it to be generally consistent with the OCTA 2018 LRTP. However, the draft 2020-2045 RTP/SCS also proposes several regional strategies and policy assumptions that go beyond the LRTP. With Board direction, staff will submit a comment letter to SCAG identifying precautionary concerns with the regional strategies and policy assumptions included in the draft 2020-2045 RTP/SCS.

***Attachment***

- A. Draft 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, Anticipated Revenue Sources and Innovative Funding Strategies

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